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## ANTI-GLOBALIZATION: A GLOBAL PERSPECTIVE ON WHY SOME STATES OPPOSE GLOBALIZATION

### Introduction

This article identifies key arguments supporting anti-globalization, analyzes main triggers of this movement, and demonstrate examples of modern leaders placing strategic objectives on closing all doors which lead to integrated markets.

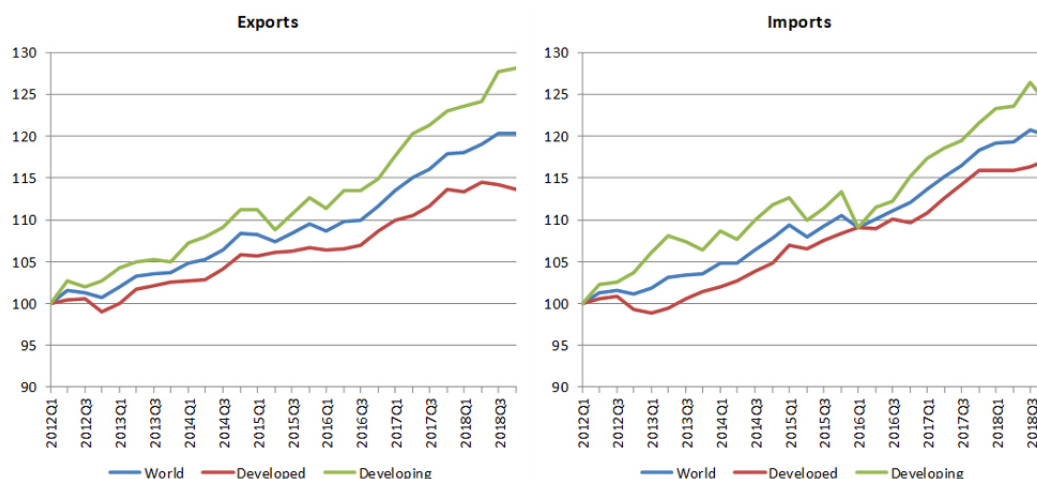
**Keywords:** globalization, economies, free-trade, protectionism, integration, nationalization

### Introduction

Sociological approach to globalization as identified by Anthony Giddens, explains that the model represents intensified social relations in line with integrated trading conditions. Other famous social scientists, Roland Robertson and George Ritzer view globalization as a link connecting regions, allowing intensification of mutual activity which as a result accelerates interdependence and views the World as an entity. Scientists argued that with globalization, local cultures are transformed and moral values of countries disappear. (Giddens, 2001) However, due to integrated economies, societies need to live free and have a direct access to other cultures. Roots of globalization go back to the middle of XIX century, when during post World War I times, millions of people started migrating, societies were changing shapes and applying innovative leadership approaches. Ritzer's argument for globalization lies on the concept of McDonaldization. In his book *"The McDonaldization of Society"*, he describes how a fast-food restaurant dominates sectors of Worldwide societies, and shapes local cultures by directly affecting governments. Ritzer's argument not being against, one of the main theories supporting anti-globalization is the fact that nowadays multinational giants (i.e. McDonalds) impose instant effect on decisions made by leaders. As a result, it affects equality and contradicts democratic beliefs. Breaking down an example of McDonaldization, its' Worldwide presence imposes colonialism leading to economical (and political) control over societies. Based on Ritzer's point of view, the concept of McDonaldization is one example of westernization. Proof of such factors as English language, western culture, technologies, and in this case fast-food restaurants spreading over the rest of the World, gives anti-globalization supporters another motive to rise against. (Dragović & Cukalevska, 2018)

### Statistics

The term of globalization has been criticized from different perspectives, however in current context it will be considered from economic viewpoint. In business terms, globalization stands for integration of Worldwide economies, the model which allows multinationals to bring countries to the common trading platform. Business globalization has intensively started to spread since the late 90's, however recent slowdown is demonstrated by statistics presented by WTO. The chart below shows a deceleration of trade between countries, a decline primarily driven by Europe's diminishing imports and stagnating exports. (WTO, 2019)



[https://www.wto.org/english/news\\_e/pres19\\_e/pr837\\_e.htm](https://www.wto.org/english/news_e/pres19_e/pr837_e.htm)

World Trade Organization as an official body controlling trade and solving disputes between trading countries. They explain this phenomenon by giving examples of G7 country leaders gradually starting to adhere anti-globalization beliefs. WTO expects World trade volume growth to drop to its long time lowest of 2.9% by the end of 2019. (WTO, 2019)

### **Anti-globalization in real life**

The backlash to globalization has been a key trigger of political shifts in many developed countries. During 2016 presidential election campaign in US, senator Bernie Sanders incessantly attacked Hilary Clinton on her intentions to support free-trade. (Saval, 2017) By having no different beliefs, current President of The United States, Donald Trump has openly mentioned to plan shifting from globalism to “Americanism”. Later backing his position by renegotiating NAFTA and withdrawing from Trans-Pacific Partnership, has only proved his intentions to “build a wall” with global markets. (Saval, 2017) Restricting trade in contradiction with trade regulations is considered a protectionism measure. Brexit is also considered as a protectionism measure, Theresa May stating that Brexit would allow UK to impose their own rules and regulations would guide them to full independence. (Horner, 2019) However, the logic behind Brexit is that by exiting EU and turning down trade assistance, UK government believes it will allow them to trade alone in the big sea. Another example is what is happening in France as the views of anti-globalization protesters are supported by the government. Number of times 2017 presidential elections runner-up, Marine Le Pen has mentioned that globalization is endangering our civilization. (Saval, 2017)

Not so long ago, globalization was a growing phenomenon which yielded nothing but positive reflection. In practice it helped poorer countries to develop through the concepts of outsourcing and offshoring. However, risks included cutting wages of low-skilled labor in developed countries leading to unemployment. As Harvard economist, Dani Rodrick predicted in 1997, globalization “has gone too far”. (Saval, 2017) Companies offshoring their activities to less developed countries seeking for cheaper labor, resulted in sociological and economical crisis. Since 1970’s developed countries face with the problem of a consistent drop of lower-skilled labor wages. Turning this to numbers, average wages have decreased by 20% since then. (Saval, 2017) This fact raises insecurity and social anxiety issues to another level. In addition to that, technological advances which allow companies to substitute human capital only bolster social problems. Despite multinationals benefiting from globalization by cutting costs and contributing towards economic growth of poor countries, it still raises more concerns than it brings positive attention. Notwithstanding numerous statements of globalization benefits outweighing its downsides, in the beginning of XXI century G7 countries are doing everything in their powers to minimize free-trade. After all the examples and arguments stated above, the main question on the line is: why did everyone suddenly become so strongly against globalization? (Woodyatt, 2019)

Since its introduction, globalization has brought many positive factors supporting the growth of Worldwide economies. Higher growth was associated directly with reducing poverty, increased living standards and creation of innovative trading platforms. By causing competition, globalization forced companies to reduce their prices which is always a beneficial factor for consumers. Infusion of direct investments and technological advancements for poor countries created a platform to develop, spread prosperity and respect democracy. (Collins, 2015) In addition, the concept allowed to share cultures and get rid of information barrier between countries. Quaternary sector of World economy was evolving with a much higher pace. Sharing technology, research and intellectual resources assisted developing countries not to fall behind the global progress. Nonetheless, in the wake of economic crisis, globalization perspective started to lose consensus. Due to negative effects such as a downward pressure on wages, economists who once supported globalization have become its most prominent critics. (Saval, 2017)

### **Pros and Cons of globalization**

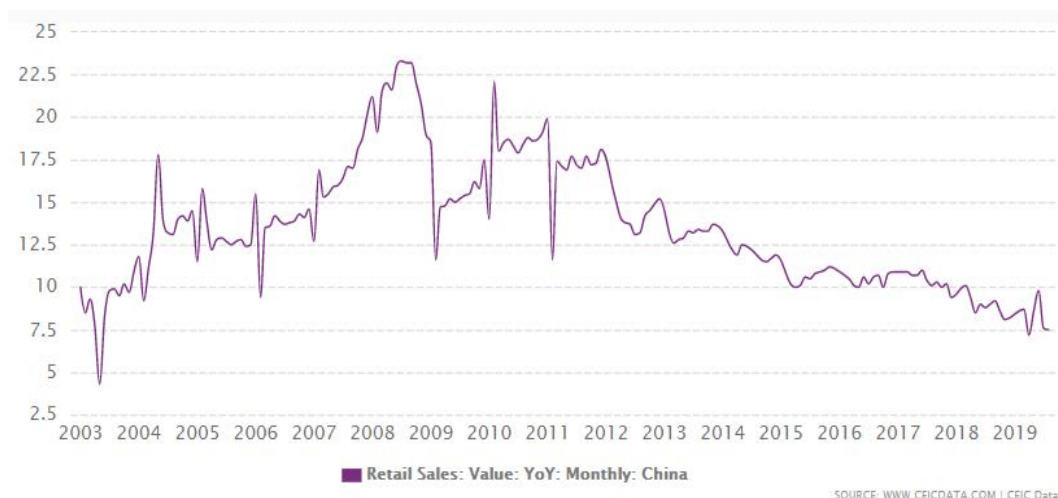
Emerging disadvantages of globalization have raised a lot of questions and turned World leaders in anti-globalization direction. As mentioned previously, one of the crucial factors is diminishing wages of low-skilled workforce in developed countries. (Collins, 2015) The main reason of negative outcome is a largely increasing number of companies who decide to outsource their activities. Examples include retail multinationals establishing their production in poor countries, UK banks deciding to outsource their call centers to Asia etc. Companies obtaining cheaper labor and reducing costs are backing themselves by increasing FDI and aiming to improve economies of poorer countries. One of the downsides of globalization is, as a result, it actually made rich richer and poor poorer. (Saval, 2017) Low-class members of societies take a blow, and this is exactly the responsibility which globalization has to take on its shoulder. Another problem is that large corporations exploit tax heavens in poor countries by avoiding to pay domestic rates. (Collins, 2015) Backlash for globalization does not stop there. There were many cases when companies were acting unethically towards society by exploiting labor and not paying fair wages. Famous retail store Zara has previously been accused of exploiting child labor and, in addition to that, in 2017 there was a scandal involving Zara delaying wages of employees in Turkey for over 3 months. (Lieber, 2017)

There are many risks societies can face as a negative aftermath of globalization. In addition to “against” factors stated above, arguably the most crucial impact on governments turning away from globalization is political influence. The anti-globalists claim that globalization has led economies to exhaustion and has had an enormous impact on governments by pushing them to make concessions. In other words, societies are concerned that multinationals are able to manipulate political decisions because they are more powerful than global leaders. (Saval, 2017) Furthermore, social pressure only enhances leaders’ intentions to support anti-globalization movements in order to earn trust. Considering factors in favor of anti-globalization, states and societies are gradually approaching the revocation of neoliberalism and opened borders. But what are the risks of free-trade abolition?

### **China’s position**

While G7 countries fight for anti-globalization, on another side of global trade disputes there is China. China’s economy is booming at the moment, which is showed by GDP reaching its absolute records. (Horner, 2019) Intensive rise of protectionism measures has escalated tensions between China-US trade, what in turn pushed global FDI on a diminishing trend. As a result of trade war, global FDI growth has been falling continually from 2016 to 2018 by 2%, 23% and 13% respectively. (Jianguang, 2019) Nevertheless, decreasing FDI did not have any effect on China’s economy. In contrary, based on statistics recorded in 2018, China’s FDI growth increased by 3.7% and is expected to continue moving in upward direction. One of the reasons of growing FDI is the size of China’s retail market. In the first quarter of 2001 China’s retail sales were only equal to half of retail sales in US. However, by the end of 2019, sales are forecasted to reach \$6 trillion what surpassing US will make China the World’s largest

retail sales state. (Jianguang, 2019)



<https://www.ceicdata.com/en/indicator/china/retail-sales-growth>

Table above demonstrates significant growth of China's global retail sales. However, despite all the positive factors, trading wars show recent, slightly negative effect on China's retail sales growth. (He, 2019)

China's perspective to support free-market attracts multinational companies to invest and develop their operations. As their economy grows, corporations would be able to enjoy profit advantages and will optimistically continue to invest into Chinese market. Examples include Exxon Mobil, Tesla and BMW searching for ways to settle in China. (Jianguang, 2019)

In contrast to majority of leaders opposing globalization, China government only accelerates the process of opening-up by reducing quotas and constructing new integrated mechanisms to share intellectual resources. As it is seen from China's example, the country is actively encouraging corporations to stand against anti-globalization. At the same time, they are implementing new trade systems and apply all available resources in order to guarantee sustainable free-market growth and attract even more FDI. (Jianguang, 2019)

So, when we look at China's current economic state, it is remarkable how the country managed to maintain free-trade and despite having tensions with US, is still continuing to attract global investments. Countries which are in favor of anti-globalization have to consider the long-term risk which can cause serious problems. The process of "building a wall" to an open market directly affects falling FDI, which is followed by multinationals turning away due to unsatisfactory trading conditions. Falling FDI means declining net imports and lower GDP in the long-term. There are certain advantages of moving towards intensive nationalization in the short-term, however anti-globalization supporters need to understand potential long run risks. Looking back at the example of China and by comparing it to United States, it is evident that by intensively working for a decade, one state can achieve highest economic growth and become a successful and most convenient business integration platform. (Saval, 2017)

### Nationalization

Based on the current position of G7 countries including US, the trend of supporting anti-globalization has become accustomed. In reality, statistics taken from "*Global Inequality*" book written by Branko Milanovic, demonstrate that, the biggest proportion of total benefits rising from globalization has been spread over Asian countries including China. (Horner, 2019) However, critics are sure that the time of this concept is running out even in those countries. In other words, people believe globalization has outlived itself, and has already brought maximum possible proportion of gains. Speaking from economic perspective, benefits of globalization are becoming a subject of

diminishing marginal returns. (Saval, 2017) By all means, these reasons alongside with negative experience of society, pushed global leaders such as Donald Trump to support nationalization. Trump cutting down trade deals is a clear sign of political concerns. Due to technological breakthrough, people find it difficult to remain employed. Increasing unemployment and obsolescence of jobs have pushed developed countries to speed up the slowdown of globalization. In addition to that, initial understanding of globalization was that it will be able to assist developed countries on becoming “service economies”, while main proportion of industries would fall over emerging countries. Notwithstanding this fact, reality is contrary. Poorer countries were able to apply technology and automatization much faster than developed states, what in turn has been causing worries for global leaders. (Saval, 2017)

Despite the fact of Trump supporting anti-globalization, many argue that at the same time he has been doing illogical decisions of reducing tax rates for multinationals. (Saval, 2017) In actual fact, there are some important advantages of nationalization. As mentioned previously, closed markets can raise motivation of local society, to support “Americanism” what in turn will push US more towards ethno-nationalism. (Horner, 2019) For the time issue has been rising, US citizens realize that in some way they are falling behind many countries in terms of social and economic progress. Countries should understand that when free-trade is on the rise, it is crucial to implement strategies and perform actions which will maintain its improvement. Perfect example is China; however, we should also take into consideration the fact of location and average wages. (Collins, 2015) When comparing China’s economy with US, it is important to emphasize that at the current state, theoretically, it is much harder for US to maintain sustainable growth than for China. Living standards, social demands and governmental structure are factors which make the difference.

### Conclusion

On the whole, while considering globalization, we need to fully understand differences in its short and long-term effects. When being on the rise, it could bring priceless benefits leading to enormous progress what makes society forget about the risks. Nonetheless, current challenges prove that, considering technological advances and high-paced development of World’s economies, globalization can also have a negative impact in the longer-run. As many respected economists including Dani Rodrick and Martin Wolf believe, globalization effect has reached its limits and political decisions taken by leaders generate uncertainty because it can possibly shake already jeopardized stability of the west. Citing their words, free-trade slowdown is nothing else than a “premature deindustrialization”, what also leaves question marks on the future progress of economies.

We live in astonishingly high-paced environment. Societies opposing and supporting free-trade provoke leaders to make uncertain decisions. Whether decisions mean to strengthen their political position or to maintain growth, it still leaves the future unclear.

This article has analyzed the rising concern of anti-globalization, identified arguments for and against, and explained the reasoning behind the movement.

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**Anti-Qloballaşma: Bəzi dövlətlərin niyə qloballaşmaya qarşı çıxmasına dair qlobal perspektiv**

**Xülasə**

Bu məqalədə anti-qloballaşmanı dəstəkləyən əsas arqumentlər müəyyənləşdirilir və integrasiya olunmuş bazarlara bütün maneələri tətbiq etmək üçün strateji hədəfləri qarşıya qoyan müasir liderlərin nümunələri verilir.

**Açar sözlər:** qloballaşma, iqtisadiyyat, sərbəst ticarət, proteksionizm, integrasiya, milliləşdirmə

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**Антиглобализация: Глобальный взгляд на то, почему некоторые государства выступают против глобализации**

**Резюме**

Эта статья определяет ключевые аргументы поддерживающие анти-глобализацию, проанализирует основные триггеры этого движения и приведет примеры современных лидеров, которые ставят стратегические цели по закрытию всех дверей, ведущих к интегрированным рынкам.

**Ключевые слова :** глобализация, экономика, свободная торговля, протекционизм, интеграция, национализация

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